

Purchasers of pollution control facilities must comply with the certification requirements of subsection (a) of Section 130.335, otherwise the sale of such pollution control facilities is subject to tax. (This is a GIL).

May 5, 2000

Dear Xxxxx:

This letter is in response to your letter dated March 29, 2000. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be found on the Department's website at <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

In your letter, you have stated and made inquiry as follows:

COMPANY is currently registering in the State of Illinois. Through this process, it has been brought to our attention that our company may qualify for a pollution control tax exemption. We work with a gasifier that gasifies waste material (i.e. wood, agricultural waste, etc.). The technology we utilize provides an extremely clean product that is environmentally friendly and reduces emissions. There is no economic value to the waste material ash. Could you please advise whether or not we apply for this exemption? If you have any questions, feel free to contact me.

Due to the limited information in your letter, we are unable to give you the ruling you request. The following information generally discusses the pollution control exemption.

We have enclosed a copy of 86 Ill. Adm. Code 130.335 concerning Pollution Control Facilities. The pollution control facilities exemption extends to "any system, method, construction, device or appliance appurtenant thereto sold or used or intended for the primary purpose of eliminating, preventing, or reducing air and water pollution as the term "pollution" is defined in the Environmental Protection Act (415 ILCS 5/1 et seq.), or for the primary purpose of treating, pretreating, modifying or disposing of any potential solid, liquid or gaseous pollutant which if released without such treatment, pretreatment, modification or disposal might be harmful, detrimental or offensive to human, plant or animal life, or to property."

It is important to note that it has been the Department's long-standing position that equipment whose primary purpose is other than that of reducing or eliminating pollution does not qualify for the pollution control facilities exemption. Equipment whose primary purpose is to confer an economic benefit does not qualify for the pollution control facilities exemption.

May 5, 2000

Please note that purchasers of pollution control facilities must comply with the certification requirements of subsection (a) of Section 130.335, otherwise the sale of such pollution control facilities is subject to tax.

I hope this information is helpful. The Department of Revenue maintains a website, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis
Associate Counsel

MAJ:msk
Enc.